

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between Laurence Vinocur (“Vinocur”) and Lifeworks Technology Group LLC (“Lifeworks”), with Vinocur and Lifeworks each individually referred to as a “Party” and collectively as the “Parties.” Vinocur is an individual residing in the State of California who seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances used in consumer products. Vinocur alleges that Lifeworks employs ten or more persons and is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code § 25249.6 *et seq.* (“Proposition 65”).

1.2 General Allegations

Vinocur alleges that Lifeworks manufactures, sells, and/or distributes for sale in California, vinyl/PVC toiletry bags containing di(2-ethylhexyl)phthalate (“DEHP”). DEHP is listed pursuant to Proposition 65 as a chemical known to cause birth defects or other reproductive harm. Vinocur alleges that Lifeworks failed to provide the health hazard warning required by Proposition 65 for exposures to DEHP from its vinyl/PVC toiletry bags.

1.3 Product Description

The products that are covered by this Settlement Agreement are vinyl/PVC toiletry bags containing DEHP manufactured, sold or distributed for sale in California by Lifeworks, including, but not limited to, the *Case Logic Travel Bottle Kit, #CL-T1411, UPC #8 12350 02255 3* (“Products”).

1.4 Notice of Violation

On or about July 11, 2014, Vinocur served Lifeworks and the requisite public enforcement agencies with a 60-Day Notice of Violation (“Notice”), alleging that

Lifeworks violated Proposition 65 when it failed to warn its customers and consumers in California that its vinyl/PVC toiletry bags expose users to DEHP. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

1.5 No Admission

Lifeworks denies the material, factual, and legal allegations contained in the Notice and maintains that all of the products that it has sold and distributed in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by Lifeworks of any fact, finding, conclusion, issue of law, or violation of law, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Lifeworks of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Lifeworks. However, this Section shall not diminish or otherwise affect Lifeworks' obligations, responsibilities, and duties under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean March 6, 2015.

2. INJUNCTIVE RELIEF: REFORMULATION & INTERIM WARNINGS

2.1 Reformulation Commitment

Commencing on the Effective Date and continuing thereafter, Lifeworks agrees to only manufacture for sale or purchase for sale in or into California, "Reformulated Products." For purposes of this Settlement Agreement, "Reformulated Products" shall mean Products containing no more than 1,000 parts per million (0.1%) DEHP in any component analyzed pursuant to Environmental Protection Agency testing methodologies 3580A and 8270C or equivalent methodologies utilized by federal or state agencies for the purpose of determining DEHP content in a solid substance.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty Payment

Pursuant to Health and Safety Code section 25249.7(b)(2), and in settlement of all claims alleged in the Notice or referred to in this Settlement Agreement, Lifeworks agrees to pay \$2,000 in civil penalties. Each penalty payment will be allocated in accordance with California Health and Safety Code section 25249.12(c)(1) & (d), with 75% of the penalty amount remitted to the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty amount paid to Vinocur. Lifeworks shall remit its payment in a single check made payable to “Laurence Vinocur, Client Trust Account” in the amount of \$2,000. Vinocur’s counsel shall be responsible for delivering OEHHA’s portion of the penalty payment to the office.

3.2 Attorneys’ Fees and Costs

The Parties reached an accord on the compensation due to Vinocur and his counsel under general contract principles and the private attorney general doctrine codified at Code of Civil Procedure section 1021.5 for all work performed in this matter. Under these legal principles, within five days of the Effective Date Lifeworks agrees to pay \$16,000 in the form of a check made payable to “The Chanler Group” for all fees and costs incurred investigating, bringing this matter to the attention of Lifeworks’ management, and negotiating a settlement in the public interest.

3.3 Payment Address

All payments required under this Settlement Agreement shall be delivered to:

The Chanler Group
Attn: Proposition 65 Controller
2560 Ninth Street
Parker Plaza, Suite 214
Berkeley, CA 94710

4. CLAIMS COVERED AND RELEASED

4.1 Vinocur’s Release of Lifeworks

This Settlement Agreement is a full, final and binding resolution between Vinocur and Lifeworks, of any violation of Proposition 65 that was or could have been asserted by

Vinocur, on his own behalf or on behalf of his past and current agents, representatives, attorneys, successors, and/or assignees, against Lifeworks, its parents, subsidiaries, affiliated entities under common ownership (including, without limitation, One Step Up, Ltd.) directors, officers, employees, attorneys, and each entity to whom Lifeworks directly or indirectly distributes or sells Products, including its downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, licensors, and licensees (“Releasees”), based on the alleged failure to warn about exposures to DEHP from Products manufactured, distributed, sold or offered for sale by Lifeworks prior to the Effective Date, as alleged in the Notice.

In further consideration of the promises and agreements herein contained, Vinocur, on his own behalf, and on behalf of his past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any right to institute or participate in, directly or indirectly, any form of legal action and releases all claims that he may have, including, without limitation, all actions and causes of action in law and in equity, all suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses including all investigation fees, expert fees, and attorneys’ fees arising under Proposition 65 with respect to alleged or actual exposures to DEHP from Products manufactured, distributed, sold and/or offered for sale by Lifeworks before the Effective Date. The releases provided by Vinocur under this Settlement Agreement are provided solely on Vinocur’s own behalf and not on behalf of the public in California.

4.2 Lifeworks’ Release of Vinocur

Lifeworks, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against Vinocur and his attorneys and other representatives, for any and all actions taken or statements made by Vinocur and his attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against it in this matter, or with respect to the Products.

5. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, any provision of this Settlement Agreement is found by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

6. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Lifeworks may provide written notice to Vinocur of any asserted change in the law, and shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, the Products are so affected.

7. NOTICE

Unless specified herein, all correspondence and notice required to be provided pursuant to this Settlement Agreement shall be in writing and sent by: (a) personal delivery; (b) first-class, registered or certified mail, return receipt requested; or (c) a recognized overnight courier on any Party by the other at the following addresses:

For Lifeworks:

Eddie Mizrahi, Chief Executive Officer
Lifeworks Technology Group LLC
1412 Broadway, 7th Floor
New York, NY 10018

For Vinocur:

Proposition 65 Coordinator
The Chanler Group
2560 Ninth Street
Parker Plaza, Suite 214
Berkeley, CA 94710-2565

with copy to Lifeworks' counsel:

Harlan M. Lazarus, Esq.
Lazarus & Lazarus, P.C.
240 Madison Avenue
New York City, NY 10016

Any Party may, from time to time, specify in writing to the other a change of address to which all notices and other communications shall be sent.

8. COUNTERPARTS; FACSIMILE SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or portable document format (PDF) signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

9. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)

Vinocur and his attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code section 25249.7(f).

10. MODIFICATION

This Settlement Agreement may be modified only by written agreement of the Parties.

11. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understood, and agree to all of the terms and conditions of this Settlement Agreement.


AGREED TO:

Date: March 17, 2015

By: 
LAURENCE VINO CUR

AGREED TO:

Date: 03/12/2015

By: 
Eddie Mizrahi, Chief Executive Officer
LIFEWOR KS TECHNOLOGY GROUP LLC